

AASA Summary & Analysis: President Obama’s FY15 Budget Proposal

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On March 4, 2014, President Obama released his FY15 budget proposal. Federal fiscal year 2015 (FY15) starts October 1, 2014 and runs through September 30, 2015, and these federal funds would be in school districts in the 2015-16 school year. *This analysis is broken into parts: background information, education analysis, AASA response, and related charts.*

PART I: BACKGROUND INFORMATION: The President’s FY15 budget proposal complies with Bipartisan Budget Act (BBA) of 2013, Congress’ two-year budget agreement. You’ll recall that the BBA restored many of the FY13 sequester cuts in FY14, though restored less than 20% of the FY15 cuts. Given that the overall FY15 BBA levels are below the final FY14 appropriations levels, the President proposes an additional source of funding, the Opportunity, Growth and Security Initiative (OSGI). OSGI is the President’s \$56 billion proposal (“wish list”) that represents the administration’s priorities that could not be funded within the parameters of BBA. The funds are split evenly between defense and non-defense programs and are fully paid for through a combination of spending cuts and closed tax loopholes.

In FY15, President Obama prioritizes investment in education in an otherwise tight fiscal reality. Within the parameters of the FY15 budget gaps, President Obama’s education budget funds the US Education Department at \$68.6 billion, a \$1.3 billion (1.9%) increase over FY14 levels. The following chart compares department/agency level funding levels as requested in the President’s FY15 budget:

Discretionary Budget Authority (billions of dollars)			
Department	FY14 Enacted	FY15 Request	Percent Change
Agriculture	24.1	22.2	-8%
Commerce	8.3	8.8	+6%
Defense	496	495.6	0%
Education	67.3	68.6	+2%
Energy	27.2	27.9	+3%
Health & Human Services	79.8	73.7	-8%
Homeland Security	39.3	38.2	-3%
Housing & Urban Development	33.7	32.6	-3%
Interior	11.5	11.5	0%
Justice	27.2	16.7	-39%
Labor	12	11.8	-2%
State	42.7	42.6	0%
Transportation	13.7	14	+2%
Treasury	12.6	12.4	-2%
Veterans Affairs	63.4	65.3	+3%

Source: <http://www.govexec.com/management/2014/03/fiscal-2015-budget-winners-and-losers/79807/#.UxZTBP7tezU.twitter>

PART II: EDUCATION ANALYSIS: President Obama proposes a \$1.3 billion increase for USED in FY15. The President's FY15 budget proposal focuses on three priorities that closely mirror those of previous budget proposals: making quality preschool available for all 4-year-olds; improved affordability, quality and success

FY15 Budget Resources

Full FY2015 Budget Proposal

- [The Budget](#)
- [Appendix](#)

US Education Department:

- [The President's 2015 Budget for Education](#)
- [Overview](#)
- [Press Release](#)
- [Education Budget Summary & Background Information](#)
- [Justifications of Appropriations Estimates to the Congress](#)
- [PPT Slides from USED Budget Presentation](#) (03/04/14)

in post-secondary education; and making schools safer/creating positive learning environments. Digging a bit deeper to the K12-specific funding, the administration remains committed to prioritizing new dollars in competitive programs, including new competitive funds for teacher and leader development, education technology, STEM and innovation, among others. The pot of additional funding proposed outside of the BBA-level budget proposal also prioritizes competition, focusing on preschool, ConnectEd professional development and Promise Neighborhoods.

Opportunity, Growth and Security Initiative (OSGI) in Education:

OSGI provides \$750 million in three separate programs at the US Education Department. These funds are *in addition to* any funds provided in the core budget proposal and include \$250 million for Preschool Development Grants; \$300 millions for Connect-Educators; and \$200 million for Promise Neighborhoods.

Early Education: This budget, like his FY14 proposal, calls for \$75 billion in mandatory funding to support the Preschool for All

(P4A) program. In FY15 in particular, the proposal calls for \$1.3 billion for P4A, in addition to \$500 million for the competitively awarded Preschool Development Grants.

STEM: The FY15 proposal features \$170 million in funding for a new comprehensive STEM innovation proposal focused on teaching and learning in STEM education. It includes \$110 million in competitive funding for STEM Innovation Networks to build partnerships between LEAs and institutions of higher education, \$40 million for STEM Teacher Pathways, and \$20 million for the National STEM Master Teacher Corps.

ConnectEducators: This proposal builds on the President's ConnectEd initiative, which calls for 99% of the nation's students to have access to broadband within 5 years and is closely tied to efforts to modernize the E-Rate program. The President provides \$200 million ConnectEducators within the budget, to ensure that students receive the full benefit of this connectivity by providing professional development and high-quality digital instructional resources to teachers to help them make effective use of these new resources. There is an additional \$300 million provided to this program in the OSGI proposal, the pot of funding that exceeds the current budget funding caps. The combination of the budget and OSGI funds would be directed toward 100,000 teachers in 500 school districts across the nation.

Safe Schools: The FY15 proposal builds on president Obama's FY14 *Now Is the Time* initiative, which worked to reduce gun violence, make schools safer and increase access to mental health services. The FY15 proposal looks to build on that investment, and calls for \$50 million for School Climate Transformation grants to help create positive school climates. It also provides \$45 million for a proposed Successful, Safe and Healthy Students program, designed to increase the capacity of states, districts and schools to create safe, healthy and drug-free environments.

Race to the Top-Opportunity (RttT-O): The FY15 RttT proposal is \$300 million. RttT-O will focus on improving the academic performance of students in the nation's highest poverty schools and support work to identify and close opportunity and achievement gaps.

Formula v. Competitive: Once again, all of the new K-12 funding in the FY15 budget proposal is competitive. All of it, including the \$100 million dollar increase for IDEA. The administration's continued reliance on competitive funding is antithetical to its so-called commitment to equity in education and undermines the nation's commitment to ensuring that all students have access to education and detracts from the federal government's ability to meet its outstanding commitments to historically disadvantaged students through federal flagship programs, like IDEA and Title I.

Rural Education: The President level-funds the REAP program, which is frozen at pre-sequester levels, as none of the sequester-related cuts for REAP were restored. The President's proposal also includes \$581 million over ten years for the Secure/Rural Schools and Communities Program.

PART III: AASA Response and Talking Points: AASA applauds the administration for continuing to prioritize investment in education within an otherwise limited budget environment. These increases are an important step in supporting long-term, meaningful gains in student learning and school performance. AASA welcomes the opportunity to continue to work with the Department to engage school superintendents in education policy and budget discussions. *See Part IV for program-specific funding levels.*

1. **AASA is deeply concerned by the administration's continued reliance on competitive grants and the fact that virtually every new dollar proposed for K12 programs is competitive.** Given the federal government's limited role in funding public education, AASA believes those federal dollars should be targeted to fulfill the federal government's initial commitments to historically disadvantaged students, including the poor and those with disabilities.
 - a. Formula grants represent a more reliable stream of funding to local school districts. Continued reliance on competition implies that competition alone produces innovation and student achievement. School districts and systems need a certain level of financial stability to undertake the ambitious innovation and reform proposed by the administration's competitive grants.
 - b. AASA questions the sincerity of a commitment to equity in a funding schema that creates a default position of 'winner' and 'loser'. If education is to be both perceived and treated as a civil right, then no school or student should find themselves outside of the winner circle. The proper role of federal funding is to help level the playing field, and that requires providing opportunity—and resources—to all.
 - c. Continued reliance on competitive grants undermines the stated ambition of not having a student's zip code be a determining factor in the quality of their education. Given the current reality where not all schools have the same capacity to compete (not to be confused with willingness to compete), a student's zip code is very much a proxy for whether or not they will have access to competitive funds, and that is not a level playing field.

2. **President Obama proposes to level fund the federal government's investment in federal flagship formula programs designed to level the playing field. Level funding IDEA and ESEA Title I, both of which face rising costs and increased enrollment, is a cut when calculated at the per-pupil level.**
 - a. The President's budget includes \$100 million in new funding for IDEA, but not for Grants to States. The new funding would go to the newly created Results Driver Accountability (RDA) program, which would provide competitive grants to states to implement plans to improve results for children with disabilities.

- b. AASA opposes the infusion of competitive funding in IDEA and urges the President to support any effort to move the funding to IDEA grants to states.
 - c. AASA calls on President Obama to acknowledge the nearly 140 members of Congress who sent a bipartisan letter urging him to support increased funding in IDEA state grants.
 - d. Level funding for IDEA (without adjusting for inflation) puts the federal investment at 15.6 percent, less than half of the promised 40 percent of the additional cost of educating students with special needs.
 - e. Federal funding effort for IDEA continues to fall: The FY 15 proposal represents *decreased* effort when calculated as the federal contribution: the federal share has dropped from its recent high mark of 18.6 percent in FY 2005, to more recent levels of 16.4 percent in FY11 and 16.3 percent in FY12.
 - f. The burden for paying for special education will continue to be shifted to local districts, forcing school districts to raise local taxes or cut general education programs. AASA strongly supports Congressional efforts to reach the full-funding (40%) of IDEA.
 - g. The proposed budget includes \$14.38 billion for the College-and-Career-Ready Students program (formerly Title I Grants to LEAs). Level funding for Title I, in the context of increasing demand, increasing costs, and the cessation of federal emergency funding, will translate into reduced per-pupil funding levels.
3. **AASA applauds the President’s proposal to provide funding related to professional development for digital teaching and learning. AASA remains concerned by the fact that the only federal funds available to schools for education technology (including connectivity and infrastructure) are from the FCC.** AASA urges the President to steer the proposed funding through an already existing formula federal program, Enhancing Education Through Technology (Title II Part D).
- a. AASA strongly supports the FCC’s E-Rate program and the continued support it provides the nation’s schools and libraries, helping them afford their telecommunications connectivity.
 - b. AASA acknowledges that USED provides funding for state grants to support the online assessments. These funds, however, are limited and were designed to support the development of online assessment.
 - c. AASA supports the President’s ConnectEd initiative and its call to connect 99% of the nation’s students to broadband within 5 years. A new, stand-alone program that provides professional development to a small number of teachers, while well-intentioned, undermines the likelihood of success in the larger ConnectEd goal: it is nearly impossible to successfully connect 99% of students to broadband and all its educational opportunities when the related funding for professional development doesn’t also reach 99% of the nation’s teachers.
4. **AASA is deeply troubled by the administration’s failure to support the nation’s rural schools.**
- a. The President’s FY15 budget proposal level funds the sole federal program dedicated to supporting the nation’s rural schools, the Rural Education Achievement Program (REAP). REAP was one of the few programs that had zero of its sequester cuts restored, meaning that rural schools are receiving REAP funding levels that predate the existence of the program.
 - b. Level funding of REAP at the same time that the administration prioritizes competitive grants is a triple setback for rural communities, who find themselves with decreased REAP funding, with Title I funding that is still not restored to pre-sequester levels, and less likely to have the capacity to successfully navigate the competitive program application and implementation process.

- 5. AASA remains concerned by the administration’s lack of support for ESEA reauthorization.** Complete reauthorization of the federal government’s premier K12 education policy is one of AASA’s top legislative priorities.
- a. AASA is pleased to see that the FY15 budget proposal is largely structured around the administration’s ESEA reauthorization proposal. To the extent that the ESEA landscape has changed since the President’s last budget—namely, that the House moved its proposal through both committee and the full floor, and the Senate moved its proposal through committee—it is disheartening that the administration’s ESEA momentum is detached from that of the hill.
 - b. AASA questions the sincerity of the administration’s commitment to reauthorization, given the emphasis on ESEA waivers that provide regulatory relief to some, but not all, states and individual districts. AASA strongly encourages Secretary Duncan and the Department of Education to recommit to advancing federal education policies that provide relief and opportunity to all students and districts, not just those in states or communities willing and/or able to compete for waiver relief.
 - c. In a budget proposal where every new K12 dollar is competitive in nature, AASA points to complete reauthorization as a way to provide relief to all states from the broken, outdated law, as well as a way to address the myriad policy priorities the administration attempts to address through stand-alone competitive programs. A completely reauthorized, adequately funded ESEA addresses equity, can be used for professional development, provides support for school climate and safety, has flexibility to use funds for early education, and many more policy areas the administration values.

Part IV: Charts and Analytics

Table I: Summary of Programs Slated for Consolidation or Elimination in FY15

Programs Proposed for Consolidation/Elimination in FY2015		
<i>Funding Level in Millions</i>		
Program	Consolidate/Eliminate	Funding
Advanced Placement	Consolidated	28.5
Arts in Education	Consolidated	25
Charter School Grants	Consolidated	248.2
Elementary/Secondary School Counseling	Consolidated	49.6
High School Graduation Initiative	Consolidated	46.3
Impact Aid Payments for Federal Property	Eliminated	66.8
Improving Teacher Quality State Grants	Consolidated	2,349.80
Mathematics and Science Partnerships	Consolidated	149.7
Physical Education Program	Consolidated	74.6
Ready to Learn Television	Consolidated	25.7
Safe and Drug Free Schools	Consolidated	90
Striving Readers	Consolidated	158
Teacher Incentive Fund	Consolidated	288.8
Teacher Quality Partnership	Consolidated	40.6
Transition to Teaching	Consolidated	13.8

Table 2: Summary of Total Education Expenditures, 2012-13/2013-14

Total Expenditures for El/Sec Education in the US				
<i>Dollars in Billions</i>				
	2012-13		2013-14	
Source	<i>Dollar</i>	<i>Percent</i>	<i>Dollar</i>	<i>Percent</i>
Federal	76	11.4	78	11.4
State	277	41.3	284	41.4
Local	257	38.4	264	38.5
All Other	59	8.9	60	8.8
TOTAL :	669	100	686	100

Tables III-V: List of Programs By Funding Category (Level Funded, Funding Cut, Funding Increase)

Table III: USED FY15 Proposal: Level Funded	
21st century community learning centers	Comprehensive centers
Alaska Native student education	English Learner Education
Career and technical education	IDEA Preschool grants
Homeless Education	Indian Student Education
IDEA National activities	Magnet schools assistance
Rural education	Migrant Education
School Improvement Grants	Native Hawaiian student education
State Assessments	Neglected and Delinquent
Title I	<i>blank</i>
Effective teaching and learning for a well-rounded education (replaces Arts education)	Expanding educational options: (proposed legislation) Replaces Charter schools grants
Effective teaching and learning: Literacy (Combines/replaces Ready-to-learn television and Striving readers)	College pathways and accelerated learning: (combines and High school graduation initiative and AP)
Successful, safe, and healthy students: (combines/replaces Safe and drug-free schools and communities national activities; Elementary and secondary school counseling and Physical education program)	

Table IV: USED FY15 Proposal: Funded Below FY14 Levels	Funding Cut
Effective Teacher/Leader State grants (ESEA Title II)	-\$350 million (14.9%)
Impact Aid Payments for Federal Property	-\$67 million
Teacher Quality Partnership	Eliminated
Transition to Teaching	Eliminated
Fund for Improvement of Education	-\$18.1 million

Table V: USED FY15 Proposal: Funding Increases	Funding Increase
ConnectEducators	+200 m (ALL new)
High School Redesign	+150 m (ALL new)
IDEA State Grants	+100 m (0.9%, COMPETITIVE)
Investing in Innovation (i3)	+23.4 m (16.5%)
Preschool Development Grants	+250 m (100%)
Promise Neighborhoods	+43.3 m (76%)
Race to the Top: Equity & Opportunity	+300 m (ALL new)
School Leadership	+9.2 m (35.9%)
STEM innovation	+170 m (133%)
Teacher Leader Innovation Fund (TIF)	+31.2 m (10.8%)
Teacher Leader Pathways	+74.7 m (ALL new)

Table VI: USED Program Funding Level, FY14 v FY15 <i>All Amounts Listed In Millions (Unless Otherwise Noted)</i>	FY14	FY15 Proposal	Change from FY14
USED Discretionary (in billions)	44.5	45.8	1.3
IDEA State Personnel Development	41.6	41.6	0
IDEA Technical Assistance	44.3	44.3	0
IDEA Personnel Preparation	83.7	83.7	0
IDEA Parent Information Centers	27.4	27.4	0
IDEA Ed Tech, Media and Materials	28	28	0
Preschool for All	0	1300	1300
Preschool Development Grants	250	500	250
IDEA Preschool	353.2	353.2	0
IDEA Infants and Families	438.5	441.8	3.3
Race to the Top	0	300	300
ConnectEducators	0	200	200
STEM Innovation Networks	0	170	170
High School Redesign	0	150	150
IDEA Grants to States	11472.8	11572.8	100
Promise Neighborhoods	56.8	100	43.2
Teacher and Leader Innovation Fund (TIF)	288.8	320	31.2
Investing in Education	141.6	165	23.4
School Leadership	25.8	35	9.2
Title I (College and Career-Ready Students)	14384.8	14384.8	0
School Turnaround Grants	505.8	505.8	0
Mathematics and Science Partnerships (Effective Teaching & Learning: STEM)	149.7	149.7	0
State Assessments	378	378	0
Striving Readers/Ready-to-Learn Television	183.7	183.7	0
Effective Teaching and Learning for a Well-Rounded Education (Arts in Education)	25	25	0
Expanding Educational Options (Charter School Grants)	248.2	248.2	0

Table VI: USED Program Funding Level, FY14 v FY15 <i>All Amounts Listed In Millions (Unless Otherwise Noted)</i>	FY14	FY15 Proposal	Change from FY14
21st Century Learning Centers	1149.4	1149.4	0
College Pathways (HS Graduation Initiative/AP)	74.8	74.8	0
Magnet Schools Assistance Program	91.6	91.6	0
English Learner Education	723.4	723.4	0
Migrant Student Education	374.8	374.8	0
Neglected/Delinquent	47.6	47.6	0
Homeless Children and Youth	65	65	0
Rural Education	169.8	169.8	0
Indian Student Education	123.9	123.9	0
Native Hawaiian Student Education	32.4	32.4	0
Alaska Native	31.5	31.5	0
Comprehensive Centers	48.4	48.4	0
Training and Advisory Services	6.6	6.6	0
Supplemental Education Grants	16.7	16.7	0
Perkins/Career Tech	1125	1125	0
Successful, Safe and Healthy Students (Safe and Drug Free Schools; El/Sec School Counseling/Physical Education)	214.2	214	-0.2
Fund for the Improvement in Education	42.4	24.3	-18.1
Impact Aid	1288.6	1221.8	-66.8
Effective Teachers & Leaders (Improving Teacher Quality/Transition to Teaching/Teacher Quality Partnership/School Leadership)	2404.2	2000	-404.2